THE AVENUES TRUST GROUP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Charity Registration Number: 1130473

Company Registration Number: 03804617

THE AVENUES TRUST GROUP

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THE AVENUES TRUST GROUP
BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2022

Reference and administrative details of the charity, its advisers and trustees

Chairman:	Terry Rich
Vice Chair:	Evlynne Gilvarry (Member of the Audit and Risk Committee)

Non-Executive Trustees:

Andrew Bruce Calderwood	Member of People, Culture and Reward Committee, Finance Committee and Quality Committee
Alistair Oag	(To May 2022) Chair of the Audit and Risk Committee and Finance Committee
Mark Pittaway	(To October 2021) Member of the Finance Committee
Alistair Brown	(Member of Audit and Risk Committee) (From May 2022) Chair of Audit and Risk Committee
Nicola Bannister	Member of People, Culture and Reward Committee and Audit and Risk Committee

Executive Trustees:
Joanne Land
Nicola Ford

Key Management Personnel:

Joanne Land	Group Chief Executive
Nicola Ford	Group Director of Finance
Steven Parker	Group Director of Housing and Development
Daniel Gower-Smith	Group Director of Operations
Caroline Neal	Group Director of People and Organisational Development
Karina Hourd	Group Business Development Director

Company Secretary
Lauren Osman

CHARITY REGISTRATION NUMBER 1130473
COMPANY REGISTRATION NUMBER 03804617

THE AVENUES TRUST GROUP

BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2022

Principal and Registered Office
River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA

Advisers

Bankers: Barclays Bank PLC, One Churchill Place, Canary Wharf, London E14 5HP

Independent auditor: RSM UK Audit LLP, 25 Farringdon Street, London EC4A 4AB

Solicitors: Trowers & Hamlin, 3 Bunhill Row, London EC1Y 8YZ.

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Board presents herewith its Annual Report and the Audited Financial Statements of The Avenues Trust Group for the year ended 31 March 2022. The legal and administrative information set out on pages 1-2 forms part of this report. The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP second edition – October 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and in the Republic of Ireland (effective January 2019).

"Avenues"/"Avenues Group" means the Avenues Trust Group Limited and its subsidiaries.

Introduction

The Avenues Trust Group ("Avenues") accounts for 2022 and the 2021 comparative figures are constructed in line with best practice, as set out above. Compliance with best practice extends to the need to address the "public benefit" provided by Avenues, in line with Charity Commission guidelines.

Structure, Governance and Management

Board Structure

The Avenues Group Boards operate an overlapping board governance structure. The overlapping board structure involves all the entities within the Group sharing a core group of trustees common to all the Boards (the majority of whom are non-executive) with a small number of independent trustees who sit on one but not any of the other Boards. This way of operating provides for efficiency but also the effectiveness of our governance. It increases the speed of our decision making, streamlines information flows and improves clarity regarding accountabilities.

Structure

The Avenues Group is the trading name for The Avenues Trust Group and is constituted as a company limited by guarantee. The Avenues Group is also a registered charity.

The Avenues Trust Group is the ultimate holding company for Avenues South East, Avenues South, Avenues London and Avenues East. All subsidiary companies bar Avenues South are registered charities and are constituted as companies limited by guarantee; Avenues South is a Community Benefit Society regulated by the FCA.

The names of the members of the Board of the Avenues Trust Group are listed on Page 1. The members of the Board, who for the purposes of the charity/company law are the trustees/directors of the charitable company, are appointed by the Board.

Jo Land, Group Chief Executive and Nicola Ford, Group Director of Finance are executive trustees of the Avenues Trust Group and all subsidiaries.

Membership

All directors of all boards within the Group are members of the parent entity. Membership is automatic on appointment and resignation to any board within the Group.

Governance

The Group Board meets around six times per year and more frequently if required and is responsible for determining the strategy of the organisation and for ensuring successful operational performance, in line with the expectations of stakeholders.

The Avenues Group has four committees which discuss the business of the whole Group. The committees are Audit & Risk, Finance, People, Culture and Reward (PCR) and Quality, Local Focus and Engagement (QLE). Committees report directly to all the Boards within the Avenues Group.

The Audit & Risk committee, in line with good governance principles, is expected to bring a further degree of detachment from the Board's responsibilities in discharging its distinctive duties. The committee oversees all systems, controls and processes that may have an impact on the ability to meet our aims.

The Finance committee provides an additional layer of oversight regarding any financial matters that may have a significant impact on the charity.

Governance (Continued)

The People, Culture and Reward committee provides assurance to the Avenues Group Boards that it has an effective People and Pay Strategy in place, promoting an effective, high performing and diverse workforce. The committee also oversees issues relating to the remuneration of staff, with specific responsibility for making recommendations to the Boards regarding the Group Remuneration Policy and the Executive Management Team's remuneration.

In addition, the committee is responsible for linking the Group's strategy to future changes on the Boards whilst giving full consideration to succession planning for directors and other senior executives in the course of its work.

The Quality, Local Focus and Engagement committee (QLE) provides assurance to the Avenues Group Boards regarding the quality of our services and the engagement of the people we support across the organisation is our priority and so this committee was introduced to provide assurance to the board(s) around the operational delivery of quality support. Our aspiration is that the support we provide enables people to maximize their independence and opportunities whilst keeping them safe.

The committee will also find the best way to engage with all stakeholders within particular regions, ensuring their voices are heard so they are involved in the setting of the organisation's goals, quality and culture.

Avenues Group has made qualifying third-party indemnity provisions for the benefit of its trustees.

The Charity Governance Code

The Avenues Group places high the importance on good governance and uses the Charity Governance Code to inform any reviews and changes to all governance policies. All trustees are made aware upon appointment of their responsibilities under the Code.

In our efforts to strive to be the best we can be in governance we have used the Code to undertake board and trustee appraisals, making sure that the principles of our appraisal tools are based on and support the guidelines and recommendations outlined in the Code.

All of our trustees are selected in a manner consistent with the organisation's recruitment, diversity and equality policies, ensuring that the selection process is both time and cost effective. In 2021 we began a recruitment campaign to help diversify our board. This work continues and is a focus into 2022 when we plan to work with specialist advisors to help improve the diversity of our board.

Our trustees serve a period of four years, with an option to extend for a further four years. In addition to making direct approaches to suitable candidates Avenues may advertise for

The Charity Governance Code (continued)

trustees through notice boards, network recruitment or in the media. When a recruitment need is identified the Company Secretary will work with the board or committee to carry out a skills audit before a recruitment campaign begins. Policies and procedures are in place for the induction and training of new trustees. Training needs are continuously identified through board/committee discussions and surveys and board and trustee appraisals. When a training need is identified we organise externally facilitated training sessions.

In 2021 we identified the need for the following training: Health & Safety and safeguarding responsibilities at a board level and these sessions were externally facilitated.

Data Protection Compliance

The Avenues Group Boards have continued to help ensure our compliance with UK data Protection Laws following Brexit. Avenues has always taken data protection seriously and we continue to strengthen our policies and procedures to ensure that the protection of people's information remains a high priority.

Our Employees

In line with the vision of The Avenues Trust Group, we are committed to ensuring that all job applicants and employees are treated fairly in line with our equality of opportunities, diversity and fair treatment policy and procedure.

We value diversity and social inclusion across all of our activities and our recruitment process ensures that all applicants have equality of opportunity, are treated with respect and with dignity and are checked properly and screened to ensure that they are fit and suitable to work with vulnerable people.

In the event of a change in an employee's health, in accordance with our sickness absence policy, we would work with occupational health and the individual to establish whether this constitutes a disability and in the event it did, we would continue to work with them to make every reasonable effort to sustain ongoing employment.

Employee communication and engagement is key to the success of the Group. Through good local management and our communications team, we ensure that all employees are kept informed about the charity's strategy, objectives and performance, as well as day-to-day news and events. Regular information about the organisation is available through newsletters, online resources, team meetings and management briefings.

The Equality and Diversity steering group is comprised of staff and people we support from across the organisation. This allows for two way communication and the chair has direct access to the CEO. This has led to an increased profile for E&D in the organisation, linking with the People, Culture and Reward committee, raising the profile of the steering group and leading to an express focus on progressive Equality, Diversity &Inclusion. Disability and Transgender special interest groups have led to the development of Neurodiversity and Trans ally toolkits to support our workforce and, in particular, our managers to feel confident.

Our Employees (Continued)

and skilled when fostering diverse teams. The Trustee Recruitment special interest group has supported the diversification of our Trustee group and will continue to do so on an ongoing basis. To complement our commitment to E,D&I Avenues is pursuing Investors in Diversity accreditation having placed in the top 100 most inclusive workplaces in 2021.

All employees are encouraged to give their suggestions for improvement and views on performance and on strategy.

Public Benefit

The Avenues Group specialises in providing complex support, most commonly working with people who have a profound learning disability, autism, or acquired brain injury.

The majority of our work is commissioned by local government and the NHS, and delivered through community-based Supported Living; a methodology which is recognised to deliver better outcomes and significant savings to the public purse when compared to traditional residential and clinical alternatives.

The Avenues Group supports more than 600 people to enjoy community-based life, and employs more than 1,600 staff.

The coronavirus pandemic demonstrated what an exceptional workforce we have, and our culture means we will not allow external challenges to inhibit the lives of the people we support.

Our aspiration is not to manage people's lives, but to understand what really matters to them and unlock the opportunities they want to take. But no provider can do this effectively in isolation.

Quality is of paramount importance to Avenues. It's central to all our plans and we work with the Tizard Centre to audit our standards. At a statutory level we are regulated by the Care Quality Commission.

Performance is reliant on all employees' shared ambition to make a positive difference to the lives of people we support, so recruitment is based on aptitude - regardless of previous experience. Staff complete mandatory training, as well as specialist courses based on the needs of the people, we provide services to.

We always take into account shared interests when matching staff to people they might support. This means support is personalised and encourages retention and consistency. Staff take time to get to know people, supporting them to do things differently or for the first time, working out what matters to them and what they enjoy.

Avenues is committed to developing the way it supports its staff, as we know that well-supported people support people well.

We continue to work with the University of Kent on mindfulness packages to strengthen employee wellbeing, and professional training around positive behaviour support. This advances the efficacy of the care we provide and therefore reduce people's support needs over time.

Public Benefit (continued)

The trustees of the Avenues Group have read the Charity Commission guidance on public benefit and have paid due regard to the guidance in preparing their statements on public benefit in this report.

Investment Policy

The Group's current investment policy is to place surplus cash requirements on the money market both overnight and for longer periods, earning interest at the money market rates at the time of placement.

Related Parties

The Avenues Trust Group has the following wholly owned subsidiary entities, all limited by guarantee, with the exception of Avenues South which is limited by Share Capital:

- Avenues South East (Company number 3923486)
- Avenues London (Company number 6858705)
- Avenues East (Company number 3326442)
- Avenues South (Registered Society number 26230R)

The Group works on the basis of an overlapping board structure as outlined above in the board structure. The table below identifies core trustees (who sit on each board within the Avenues Group) and independent trustees (who sit on only one subsidiary board). The independent trustees manage conflicts of interest across the group. There are minimal related parties however registers are maintained see note 18. The table below identifies core and independent trustees for each board.

Trustee	Core	Group Independent	London Independent	South East Independent	East Independent	South Independent
Alistair Brown	✔					
Bruce Calderwood		✔				
Cathryn Law			✔			
Emma Keegan				✔		
Evlynne Gilvarry	✔					
Jo Land (Exec)	✔					
Lauren Stoner					✔	
Martin Owen					✔	
Nicola Bannister		✔				
Nicola Ford (Exec)	✔					
Peter Hepburn						✔
Rich Hodgson			✔			
Terry Rich	✔					

Carbon and Energy Reporting

As a large qualifying group, The Avenues Group is required to report its energy use and carbon emissions in accordance with the Companies Regulations 2018 because it meets the thresholds for reporting. Other subsidiaries in the Group do not meet the thresholds for reporting and are not required to report individually.

The energy use and carbon emissions for the Group for the year ended 31 March 2022 and 2021 comparatives are as follows:

Energy Source	Consumption	Scope	Emissions calculation 2021/22	Emissions calculation 2020/21
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills	1,141,732 kWh (gross CV (calorific value))	Scope 1	1,141,732 kWh * 0.18 (2022 fuels, natural gas conversion factor gross CV to kg Co2e)= 205,512 kgCO2e = **205.51 tCO2e**	1,299,357 kWh * 0.18316 (2021 fuels, natural gas conversion factor gross CV to kg Co2e)=237,117 kgCO2e = **237.12 tCO2e**
Electricity – total kWh used for the year, taken from the electricity bills	1,403,966 kWh	Scope 2	1,403,966 kWh * 0.19338 (2022 electricity conversion factor to kgCO2e) = 271,498 kgCO2e = **271.50 tCO2e**	919,988kWh * 0.21233 (2021 electricity conversion factor to kgCO2e) = 195,341 kgCO2e = **195.34 tCO2e**
Transport – 6,170 miles in the year	4,944 miles * 1.1132 (2022 SECR kWh pass & delivery vehs, cars - average and unknown fuel)= 5,504 kWh	Scope 1	4,944miles *0.27465 (2022 business travel land, average car conversion factor to kgCO2e)= 1,357 kgCO2e = **1.36 tCO2e**	6,170 miles *0.27596 (2021 managed assets vehicles, average car conversion factor to kgCO2e)= 1,703 kgCO2e = **1.70 tCO2e**
Transport – People carriers/vans - 51,336 miles in the year	64,905 miles * 1.49 (2022 SECR kWh pass & delivery vehs, vans class 3 – used in lieu of passenger vehicles conversion)=96,776 kWh	Scope 1	64,905 miles *0.29203 (2022 business travel land MPV unknown)= 14,992 kgCO2e = **15.00 tCO2e**	51,336 miles = 82,617km 82,617km *0.26529 (2021 managed assets vehicles, vans class 3 – used in lieu of passenger vehicles conversion)= 21,917 kgCO2e = **21.92 tCO2e**
Transport – total mileage reimbursed from staff claims = 99,639 miles	334,456 miles * 1.1132 (2022 SECR kWh pass & delivery vehs, cars - average and unknown fuel)=372,316 kWh	Scope 3	334,456 miles * 0.27465 (2022 business travel land, average car conversion factor to kgCO2e)= 91,858 kgCO2e = **91.6 tCO2e**	99,639 miles * 0.27596 (2021 managed assets vehicles, average car conversion factor to kgCO2e)= 27,496 kgCO2e = **27.50 tCO2e**
Total	**3,020,294 kWh**		**584.97 tCO2e**	**483.58 tCO2e**
Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (Average FTE)		584.97 tCO2e/1,232 FTE = **0.47 tCO2e per FTE**	483.58 tCO2e/1,252 FTE = **0.39 tCO2e per FTE**

Methodology

The data detailed in this table represents energy use and emissions for which The Avenues Group is responsible for the period 1 April 2021 to 31 March 2022. It includes the metered electricity and gas used in our properties, and emissions from fuel used in vehicles on company business (both private and leased). For leased vehicles this has been estimated based on the contractual mileage where actuals were not available. These are the energy use and emissions sources required by the regulations for large unquoted organisations. We have used the main requirements of the GHG Protocol

Carbon and Energy Reporting (continued)

Corporate Accounting and Reporting Standard as our emissions calculation methodology. This methodology recommends that emissions are calculated by multiplying activity data (for example energy use in kWh) by an appropriate conversion factor.
We have used the UK government GHG conversion factors for company reporting 2022 to calculate our emissions.

Our emissions intensity is reported by full-time employee (FTE). This is because our employee numbers are directly related to our business activities, as increased business may result in higher FTE numbers. These intensity metrics allow comparison of our energy efficiency performance over time.

The Streamlined Energy and Carbon Reporting (SECR) regulations apply to company financial years starting on or after 1 April 2019.

STRATEGIC REPORT

Objectives and Activities

The charitable objects of The Avenues Trust Group and its subsidiaries are for the public benefit as they support and promote the intellectual, emotional, physical and spiritual welfare of people aged nine and upward with complex support needs. This is achieved by providing professional, high quality, not-for-profit services to people, supporting them to enjoy their lives within their communities.

The governing instruments for the Avenues Trust Group and the subsidiary entities are their respective Articles of Association, with the exception of Avenues South which is governed under its Model Rules.

Strategy

Avenues has always gone the extra mile to provide the best support to people with profound and multiple learning disabilities, autism and acquired brain injury. Our strategy for 2021-25 'Building Better Lives Together' will mean we are able to continue to provide our unique support for the long term; and offer it to more people, in more places.
Over the lifetime of this strategy, our digital journey and use of technology will afford us the opportunity to promote greater independence for the people we support whilst also improving our operations. We will continue to build a justified reputation for supporting even more people to flourish, regardless of the challenge.

Avenues is a community of people; those supported, their families, the people who work for us and others. All their voices must be heard. We will find new ways for everyone to appropriately influence how we make best use of the funding we have, and make sure people continue to smile, laugh and grow.
By 2025 we will …

- Be recognised as a high-quality specialist provider of social care services to people with a learning disability, with an exemplar offering for people living with autism.
- Have sufficient flexibility, capacity and resources so as to ensure organisational resilience, support for the long term and offer high levels of efficiency and effectiveness in the way we work.
- Be known to, and valued by, a broader group of potential purchasers and other key stakeholders, with new customers, funders and commissioners, diversifying our income streams.
- Offer a variety of models of support that will suit people's needs and which are capable of providing great support at different stages of their life journey.
- Be known for the strength and quality of our engagement and co-production. People who receive our services, their families and significant others in their lives will influence what we do, how we do it and will tell us what they want.

We will continue to go the extra mile.

Section 172 (1) of the Companies Act 2006

Under Section 172 of the Companies Act 2006 the Board of Trustees, (who are also directors of The Avenues Trust Group for the purposes of company law), have a duty to promote the long term success of The Avenues Group. They have done that during 2021/22 by duly considering the impact of the decisions they make on the future of the Group. All key decisions that will have an impact on the long-term future of the Group are discussed at the relevant sub-committees and Boards. They have taken into account the view of different stakeholder groups who will be affected by the decisions and have weighed and considered the different options that were available to the Group on each occasion. The Boards believe they have acted throughout the year in the best interests of the Group and in a manner, which will bring about long term success.

The trustees consider the key stakeholder groups for The Avenues Group to be the people it supports and their families, friends and advocates, its employees, its competitors, its funders and its suppliers.

The impact of major decisions on staff are discussed at the HR & Nominations committee and the Boards who also received regular updates on staff pay, health and safety and safeguarding.

The Boards receive a summary of the biennial staff engagement survey which highlights both strengths and areas for potential improvement on employment matters and how these will be mitigated through specific actions.

The quality of our services and the engagement of the people we support across the organisation is our priority and so the Quality, Local Focus and Engagement committee was introduced to provide assurance to the Boards around the operational delivery of quality support. This committee engages with stakeholders at all levels and reviews and obtains assurance relating to complaints and compliments. This committee provides a mechanism to make sure that stakeholders are involved in the setting of the organisations goals, quality and culture. The committee is made up of trustees, parents of people we support and a qualified social worker. New Directions is a subgroup of this committee made up of people we support who meet to review and discuss Avenues Group and give their ideas for its future. As part of this they have recommended a similar group per subsidiary which is being reviewed.

To develop and maintain strong business relationships, The Avenues Group collaborates regularly with Local Authorities and CCGs and its competitors through face to face meetings and roundtable discussions. Avenues recognises the benefit of working together, not just for the people we support and our employees but the wider adult social care provision. We have many examples where through joint working projects we have achieved better outcomes for the people we support. We have been working with Surrey County Council to develop a joint strategy that will not only see the modernisation of the housing provision but will offer a wider choice of support and accommodation solutions that will be fit for the future for adults with a learning

disability. We can only achieve such great outcomes by bringing together the skills, knowledge, and experience of both parties. The Avenues Group management team have also worked closely with Local Authorities to share lived experiences of services where we support people with challenging behaviour to help shape tenders and ensure high quality service provision.

Avenues put the people we support at the centre of everything we do, ensuring individuals have meaningful plans, including communication needs, recorded in ways that are accessible for them. All individuals have a Service User Guide which details the expectations of both parties and a copy of our Complaints Procedure, although we try to anticipate issues and challenges, taking steps to address them at the earliest opportunity, preventing issues becoming too problematic. High quality care and support exists where people using social care have informed choice and control, with as much involvement in decisions about their care and support as they want to have.

Senior Operations Managers are responsible for ensuring that user involvement is positively encouraged through genuine involvement in shaping and providing feedback. We hold regular forums to understand the experiences of the carers and people who are in the individual's circle of support. This enables us to develop the service in a meaningful and informed way. As with user involvement, it is important that stakeholders, such as families, friends and professionals, involved in individuals lives are encouraged to be involved in decisions about the care and support provided.

We acknowledge that the wider public and mainstream services have a real part to play in the lives of the individual and we prepare the local community to accepting the schemes as valued resources. For example, we encourage individuals to develop relationships with their neighbours and others within their local community and always reinforce the message that we intend to support them to be good and involved citizens.

The trustees and the Executive Management Team have now published the 2021/25 strategic plan for Avenues group. The year one plan is operational, and the overall plan will help to ensure the long term success of the Avenues group via the New Directions.

Risk Management

The Boards of the Avenues Group operate a formal risk management process and risk register, which involves continuous review of the risks identified and those emerging, their potential impact and means of mitigation. The risk register is reviewed by the group Audit Committee, which, in turn, reports on risk to the Avenues Group Boards on a quarterly basis.

The key risks identified for 2021/22 are the coronavirus pandemic impact and the challenges in the underlying competitive labour market for quality operational staff. All necessary measures have been taken to mitigate these risks going forward, which

included the setting up of a specific working party for the coronavirus pandemic and reviewing all guidance provided by the government and other bodies.

Principal Risks and Uncertainties - Coronavirus

As the financial year started our sector, the nation and indeed world were still in the pandemic with continued uncertainty. We continued to navigate our way through the changing guidance for the UK and Adult Social Care. The continued impact of coronavirus has been far reaching and has affected the people we support, their families, our staff teams in many ways.

Every step, and every decision, was taken to keep the people we support and our staff teams safe and well and in line with the current guidelines. We know that well supported people, support people well and we have made every effort to make sure our teams have had everything they need to maintain their own resilience and wellbeing, so that they can continue to provide the support people deserve.

In response to the pandemic, The Avenues Trust Group set up the "COVID-19 management team". The group is chaired by the Group Director of Operations and includes members from all key areas of the organisation. The group continued to meet weekly throughout the financial year with additional ad-hoc meetings as required.

Communication and support didn't just come from within Avenues, and it was clear that the sector needed to support each other. We encouraged managers to continue to work with and seek support from external sessions:

- VODG
- Skills for Care
- Local Authority updates
- Webinars

Directors collaborated with other social care organisations to share lessons learnt, our approach and to offer additional support.

Data is collected from front line managers to enable services/teams to be risk rated to ensure the required dedicated management support is deployed to make certain a safe service is delivered. The data included, but not limited to:

- Confirmation of suspected cases for people supported and employees reported via an incident report
- Available staff numbers
- PPE levels
- Food provisions
- Employee and the people we support testing results
- Employee and the people we support vaccine data

A separate CV19 risk register was maintained and updated weekly relating to actions taken to support the organisation and managing risks. The risk register and reports were shared with the Avenues Group Boards.

Principal Risks and Uncertainties – Coronavirus (continued)

Policies and procedures were reviewed in light of coronavirus pandemic and where changes were required, they were agreed via the COVID-19 Oversight Group and documented. The Policy Review Group (PRG) monitored progress, managed updates and ensured the organisation takes action as required. Updated policies and procedures have been reissued.

Personal Protective Equipment (PPE) continues to require a significant level of management oversight. We have at least, a minimum, of four month's supply of the required PPE supported by monthly stock takes. Central repeat orders were placed as required to maintain a minimum levels. All registered locations made full use of the governments' supply chain.

A key part to successful management of the coronavirus included prompt infection control practice. In addition to the use of PPE and deep cleans as required, the level of cleaning was increased, and visitors stopped as per government guidelines. Staff movement was minimised, and steps were taken to ensure that the same staff worked with each other where possible.

In the event of two or more confirmed cases within a service a Task Force meeting has been convened to ensure the required support and action is taken. The main aim was to ensure that the required support was provided to the affected team.

We reviewed our approach to occupational sick pay and in line with government funding, employees were paid their normal salary for all sickness and time away from work due to coronavirus.

Testing for the people we support and employees has always been a top priority and we have always followed the government advice in all settings. We recognised early on that regular testing was required, not only to ensure our operational teams were not spreading the virus but also to enable us to manage any outbreaks. In December 2021 as a new strain of the virus was being detected, we requested daily testing of all staff ahead of the Government advice Testing for people we support, has been a challenge and Avenues follow the Government advice for each setting. The size of our individual services is such that where we had outbreaks, they could be contained more easily to minimise the spread and impact.

The organisation is supportive of the vaccine programme for both the people we support and employees. To ensure, as far as possible, the workforce is able to have the vaccine, we have paid employees for their time and travel to have the vaccine where required.

We have shared, relevant accessible information for the people we support.
This was communicated to Service Managers and copies saved to the CV19 Intranet for use.

Principal Risks and Uncertainties – Coronavirus (continued)
Finally, as we exit the financial year the Government issued guidance detailing how, as a nation, we will be living with COVID-19 and this prompted addition guidance for Adult Social Care. Our overarching principle of keeping the people we support and our staff teams as safe as possible remains our top priority whilst the whole organisation adapts to the living with COVID-19.

The Oversight group reviewed each and every action taken over the past two years and agree the most appropriate next steps. Policies and Procedures were reviewed in line with guidance and decision and we, once again, increased communication with our workforce.

We recognise and understand, that after two years of COVID-19 restrictions that moving to "Living with COVID-19" would be a worrying time for the people we support, their family members and our staff teams. We therefore have written to each person we support, their family members and staff detailing the organisations approach to "Living with COVID".

Whilst keeping people as safe as possible we knew going forward we wouldn't be just **living with Covid,** we will be supporting people to once again **enjoy their lives, live the lives they want and be active citizens** once again**.** Going forward we will be returning to **"enabling people"** and not just **"caring for"** people but doing things **"with"** and not **"for"**; in short, together we will progress from surviving to thriving once again.

See Going Concern on page 20 for financial risk assessment.

Achievements and Performance
Avenues' reputation for delivering high-quality services established us as a key player in the Transforming Care programme and strengthened our relationship with NHS England.

This means all Avenues subsidiaries are well positioned to deliver new complex services which move people from secure locations back into their home communities, alongside the continuation of the outstanding support provided to existing service users, fulfilling the Group's vision.

As well as our ambition to support people for the long term, we continue to offer genuine career prospects to employees and positive succession planning.

Our commitment to quality has continued through our strategic partnership with the University of Kent, focusing on the promotion of positive behavioural support and active support - both approaches that are demonstratively effective in supporting the people that Avenues work with. During the year this work has been delayed due to Covid restrictions and access to services but is in our plans for 22/23 and beyond.

Achievements and Performance (Continued)

Over the past year we have continued to develop our services across our subsidiaries, proving once again that people with the highest support needs, and most challenging behaviour, can enjoy better lives through tailored, community-based support that brings significant savings to the public purse.

The Avenues Trust Group has a monthly balanced scorecard which is used for reporting to management and trustees. Within this are 4 headline Key Performance Indicators which are underpinned by a set range of Key Performance Indicators as follows:

Financial Sustainability

This is measured by our operational performance to budget. For financial year 2021/22 the Surplus was £1,369k compared to a budgeted surplus of £18k. Underneath this we set KPIs for the level of central cost spend, services making a deficit contribution, agency spend and debtor days.

Reputational

This is measured by the percentage of services which have met their monthly quality KPI thresholds. A target of 90% was set and we achieved a monthly average of 93%. This is underpinned a significant number of quality KPIS which are measured across all services.

People

This is measured as the percentage of job vacancy levels across the workforce with a target of less than 20% - we achieved an average of 25% so behind the target which was the impact of well documented recruitment challenges for the Adult Social Care sector, in the second half of the year. In addition to this we track and closely monitor sickness absence and retention rates

Growth and Development

Having established the Business Development function in the previous year, this was our first year of considering the potential whilst the team was still being recruited.
We determined that this be measured by the full year growth achieved compared to the budgeted target. As a result of Covid restrictions and recruitment challenges we finished the year behind target but are confident with the bedding in of the Business Development team we can achieve the targets set for 22/23.

Financial Results for the Year Ended 31 March 2022

The income and expenditure performance of the Group in 2021/22, shows income of £47m and a surplus of £1.4m (compared to a surplus of £1.2m in the prior year).
Total income for the year increased by £0.3m (1%) and expenditure has increased by £0.2m (0.34%), excluding gain on sale of fixed assets.

The consolidated balance sheet shows total group funds of £7.3m compared to £5.3m as at March 2021. This includes the impact of the revaluation of the Social Housing Pension Scheme (SHPS) pension asset of £0.6m.

The consolidated Group had gone into 2021/22 with a small surplus budget. This is a key deliverable of the 2021/25 strategic plan and the Executive Management Team.

As a result of the 2020/21 transformation plan, we have seen improvements in legacy void levels, agency spend and deficit contribution services which have all contributed towards an improved operating performance.

Reserves Policy

As part of the 2021-25 strategic planning processes conducted in 2020/21, the Avenues Group Board carried out a thorough review of the reserves requirement and policy to ensure these are adequate to support the Group going forward.

As a contract based service provider, the Avenues Group Board have concluded that the Group does not need to carry significant levels of reserves. However, the free reserves available need to be sufficient to mitigate against any significant organisational risks as identified via the risk management procedures whilst enabling the group to capitalise on opportunities and deliver the 4 year strategic plan ensuring sustainability for the future. Based on this revised reserve policy the Board has concluded that the target for free reserves should be £1.5m. This has been considered by the Audit and Risk Committee in June 2022 and deemed to be still appropriate. In additional the Group Boards have recommended a minimum cash holding of £1m.

Subsidiaries

This reserves policy is established at a Group level.

Reserves were as follows at March 2022:	**£'000**
- General	7,300
- Designated	77
- Pension scheme	(1,398)
- Restricted	1,299
TOTAL RESERVES	**7,278**
Less unrestricted tangible fixed assets held for charities' own use	(6,185)
Less restricted reserves	(1,299)
Less designated reserves	(77)
FREE RESERVES (Deficit)	**(283)**

Free reserves are therefore NIL.

Tangible fixed assets are stated after netting off capital grant liability.

Reserves Policy (continued)
Restricted funds do not form part of general reserves as these have been received from funders/donors for specific projects/purposes and are therefore not freely available for use by the group.

£77k of Designated reserves relate to a legacy left to Avenues in relation to a person supported at Chelsham Lodge. The trustees have decided that the legacy should be used for this person, as such a designated fund has been set up.

£6,185k related to amounts invested in fixed assets and these reserves can only be realised on disposal.

One of the aims of the 2021/25 strategic plan is financial sustainability and the creation of free reserves which will be achieved by asset disposals and the consistent delivery of financial surpluses. Over the life of this plan we expect to achieve sustainable surpluses to create free reserves will be used to weather the social care sector storms and enable the Group to make strategic choices.

The free reserves held at the balance sheet date remain below the target set by the Board and reserves policy.

Risks to Funding/Financial Climate
- Social care sector pressures
- Reliable funding sources with a relatively stable established base
- Scaling up and growth may require some upfront investment

In the event of the sudden closure/liquidation of the group any outstanding commitments and liabilities would be funded by the sale of properties.

Liquidity and Working Capital
Whilst the reserves policy sets a target for free reserves it is recognised that this does not create liquidity within the group and the Board would also like to address this and have set a target for this of £1m which have now been met in 2020-21. The group will continue to work to improve its position to build sustainable services and grow the charity.

The current working capital position of the group is:
2021/22 £2.5m (2020/21 £2.0m)

Going Concern

The primary objective for 2021/22 was to continue to improve financial strength of the group to capitalise on future opportunities and build long term sustainability. In order to achieve this a number of initiatives have been undertaken during 2021/22:

- Increased focus on recruitment and retention to lower dependency on agency
- Improvement in pay packages offered to employees
- Full review of loss making services across the group
- Increased scrutiny around void levels and agency spend
- Focus on growth opportunities

The above measures and increased scrutiny around monthly financial results and deviation from budgets mean that a small surplus is expected in 2022/23.

The Avenues Group operates within a cross guarantee arrangement and cash is pooled across the group to service working capital requirements.

As part of the going concern assessment, we have considered the ongoing financial impact of coronavirus in terms of operating performance and cashflow. We believe the funding support from Government coupled with the measures taken by the organisation in response to the coronavirus pandemic mean that the negative financial impact of the virus is mitigated and at this time does not represent a financial or going concern risk.

We have sufficient contingency funds in place to cover existing coronavirus related voids and should there be another wave we believe we are well placed to deal with it and minimise the overall impact on the Group and as a result the financial position of the Group.

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. With this in mind, whilst there are significant challenges within the sector, particularly around recruitment of staff, Avenues is well placed for the future.

Future Developments

2021/22 is the first year of our strategy for 2021-25, Building Better Lives Together', which sets out our renewed ambition to ensure that we will continue to provide our unique support for the long term; and offer it to more people, in more places.
Our approach will remain centred on supporting more people with learning disabilities and/or autism whose behaviour challenges, while ensuring ongoing quality of services for those we already work with.

This commitment to quality will be supported by our renewed relationship with the University of Kent, particularly around training in positive behavioural support and active support. Getting these areas right is essential to our aspiration of delivering increasingly high-quality services for people with the most complex needs.

Recruitment and retention of a high quality workforce in the sector and for the Group remains an ongoing challenge. Post pandemic, as conditions have changed and other sectors have reopened, we are facing a highly competitive labour market across all sectors including social care and competition for good staff is high. Despite 2 pay awards during 2021/22 and an increase in National Minimum wage from April 22 recruitment is extremely challenging and vacancy rates remain high and as a result we have seen an increased spend in agency costs in the second half of 2021/22.
We anticipate these challenges will continue into 22/23 and beyond. Avenues continues to raise the challenges of pay and recruitment with our commissioners and with central government 2020/21 saw the establishment of a business development function led by a Director of Business Development and given the successes in 2021/22 this will be an area of continued focus and investment. Whilst core growth and void filling remain high on the agenda.

We are also looking to generate other income streams through grants, fundraising and legacies. 2022/23 will see us expand into new geographies and strengthen our connection with the health sector.

In addition, we will continue to explore all cost saving initiatives to ensure efficiencies across all functions. This includes a review of office space and working patterns including hybrid working following the pandemic.
We are increasing the use of digital solutions and the aspiration of operating paperless offices as far as practicable. We are half way through our front line digital roll out programme giving digital access to all services to provide more efficient support. Our workforce have embraced this change and are excited for future changes. In 22/23 we are embarking on a programme of work to upgrade our central core systems to further improve processes and drive efficiencies.

Avenues provides high-quality, cost effective and successful community-based alternatives to institutional care. As well as hugely improving people's quality of life, we offer rewarding long-term employment and careers. People are at the centre of everything we do.

These are challenging times for society and the sector, but we are confident that we have the strategy and people in place to become even more resilient and deliver our vision to more people who need our unique support.

The Trustees' Report is approved by order of the Board as trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 18th October 2022 and signed on its behalf by

Terry Rich
Chair
Date: 18th October 2022

THE AVENUES TRUST GROUP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees (who are also directors of The Avenues Trust Group for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the incorporated Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the group's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

Opinion

We have audited the financial statements of The Avenues Trust Group (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from external advisors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street, London, EC4A 4AB
Date 27 October 2022

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Consolidated Income & Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted General Funds £'000	Unrestricted Pensions £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
INCOME FROM:						
Donations and Legacies						
Donations	3	1	-	19	20	6
Grants	3	-	-	-	-	3
		1	-	19	20	9
Charitable Activities:						
Provision of care and housing services		9,904	-	-	9,904	10,781
Provision of care to young people		1,303	-	-	1,303	1,611
Services to Adults		32,634	-	-	32,634	30,450
Services to Older People		1,874	-	-	1,874	1,657
		45,715	-	-	45,715	44,499
Other trading activities	3	115	-	-	115	25
Investment Income		-	-	-	-	-
Other		97	-	1,072	1,169	2,185
Total Income		**45,928**	**-**	**1,091**	**47,019**	**46,718**
EXPENDITURE ON:						
Raising funds		-	-	-	-	-
Charitable activities:						
Provision of care and housing services	4	10,343	-	-	10,343	11,913
Provision of care to young people	4	1,200	-	-	1,200	1,434
Services to Adults	4	31,242	-	1,072	32,314	30,432
Services to Older People	4	1,791	-	-	1,791	1,713
		44,576	-	1,072	45,648	45,492
Loss/(gain) on sale of assets		(17)			(17)	34
Total Expenditure	4	**44,559**	**-**	**1,072**	**45,631**	**45,526**
Net Income/(expenditure)	5	**1,369**	**-**	**18**	**1,388**	**1,192**
Transfer between funds		(298)	314	(16)	-	-
Remeasurement of defined benefit pension schemes	16	-	582	-	582	(1,517)
Net movement in funds		**1,071**	**896**	**2**	**1,970**	**(325)**
Reconciliation of funds:						
Fund balances brought forward	13	6,306	(2,294)	1,296	5,308	5,633
Fund balances carried forward		**7,377**	**(1,398)**	**1,299**	**7,278**	**5,308**

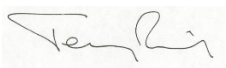
The notes on pages 32 to 57 form part of these financial statements.

THE AVENUES TRUST GROUP
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022
COMPANY NO: 03804617

	Notes	2022	2021
		£'000	£'000
FIXED ASSETS			
Tangible assets	8	10,757	10,090
Intangible assets	9	116	71
		10,873	**10,161**
CURRENT ASSETS			
Debtors	11	4,453	4,274
Cash at bank and in hand		2,356	2,455
		6,809	**6,729**
CREDITORS falling due within one year	12	(4,319)	(4,690)
NET CURRENT ASSETS		**2,490**	**2,038**
CREDITORS falling due in more than one year	12	(4,687)	(4,598)
NET ASSETS EXCLUDING PENSION LIABILITY		**8,676**	**7,602**
Pension scheme liability	16	(1,398)	(2,294)
NET ASSETS	14	**7,278**	**5,308**
FUNDS			
Unrestricted funds:			
General funds	13	7,300	6,231
Designated fund	13	77	75
Pension scheme funding reserve	13	(1,398)	(2,294)
		5,979	**4,012**
Restricted funds	13	1,299	1,296
TOTAL FUNDS	14	**7,278**	**5,308**

The notes on pages 32 to 57 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 18th October 2022 and were signed on its behalf by:



Terry Rich, Chair

THE AVENUES TRUST GROUP
COMPANY BALANCE SHEET
AS AT 31 MARCH 2022
COMPANY NO: 03804617

	Notes	2022	2021
FIXED ASSETS		**£'000**	**£'000**
Tangible assets	8	236	147
Intangible assets	9	116	71
		352	218
CURRENT ASSETS			
Debtors	11	1,643	573
Cash		1,550	999
		3,193	**1,572**
CREDITORS falling due within one year	12	(3,684)	(1,903)
NET CURRENT LIABILITIES		**(491)**	**(331)**
NET LIABILITIES		**(139)**	**(113)**
FUNDS			
Unrestricted funds:			
General reserve	13	(1,058)	(1,021)
Designated Fund	13	2	2
		(1,056)	**(1,019)**
Restricted funds	13	917	906
DEFICIT	14	**(139)**	**(113)**

As permitted by section 408 of the Companies Act 2006, the parent charity's Statement of Financial Activities (including Income and Expenditure) has not been included in these financial statements. The parent charity's result for the year was a deficit of £26k (2021: deficit of £13k).

The notes on pages 32 to 57 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of trustees on 18th October 2022 and were signed on its behalf by:

Terry Rich
Chair

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
Cashflow from operating activities		**£'000**	**£'000**
Net cash generated from operating activities	**(a)**	1,145	2,162
Cashflow from investing activities:			
Purchase of intangible fixed assets		(88)	(451)
Purchase of tangible fixed assets		(1,441)	(74)
Sale of tangible fixed assets		223	156
Net cash provided by/(used in) investing activities		(1,306)	(369)
Financing:			
Repayments of bank loans		(3)	-
Payment of KCC loan		(33)	(33)
Proceeds of new bank Loan		273	-
Net cash inflow/(outflow) from financing		237	(33)
Increase in cash in the year		**76**	**1,760**
Change in cash and cash equivalents in the reporting period		**76**	**1,760**
Cash and cash equivalents at the beginning of the reporting period		2,280	520
Cash and cash equivalents at the end of the reporting period	**(b)**	**2,356**	**2,280**

(a) Reconciliation of net income to net cash flow from operating activities:	2022	2021
	£'000	**£'000**
Net income	1,388	1,192
Net movement in pension provision	(314)	(307)
Loss on disposal of tangible fixed assets	(17)	34
Depreciation charges	567	526
Amortisation of intangible fixed assets	42	30
Net movement in creditors (less debtors)	(523)	687
Net cash generated from operating activities	**1,143**	**2,162**

(b) Analysis of cash and cash equivalents:		
Overdraft facility repayable on demand	-	(175)
Cash at bank and in hand	2,356	2,455
Total cash and cash equivalents	**2,356**	**2,280**
Borrowings excluding overdrafts	-	(33)
Total cash, cash equivalents and borrowings	**2,356**	**2,247**

1) Accounting Policies

The Avenues Trust Group is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA. The Charity's principal activities are disclosed in the Board Members' Report.
The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102 second edition October 2019)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, except for the treatment of Avenues South social housing grants which would normally be shown through the Statement of Financial Activities. The group has departed from the Charities SORP (FRS 102) and maintained the accounting treatment set out in Housing SORP 2014 (Statement of Recommended Practice for social housing providers) which is followed by Avenues South, where government grants are recognised in income using the accruals model and recognised over the life of the underlying asset when housing properties are measured at cost.

Amounts not recognised in income are shown as creditors as deferred capital grants. The trustees consider that this is the appropriate policy to use in the consolidated financial statements.

The Avenues Trust Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost of transaction value unless otherwise stated in the relevant accounting policy notes. The reporting currency is pound sterling and the financial statements are presented to the nearest thousand pounds.

The parent charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepare a publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the group. The parent charity has therefore taken advantage from the following exemptions in its individual financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures; and
- Section 33 'Related Party Disclosures' – Compensation for company key management personnel.

b) Preparation of the accounts on a going concern basis

The Avenues Trust Group has had operational surplus of £1.2m in 2020/21 and surplus of £1.4m in 2021/2022. As at March 2022, reserves stood at £7.3m, with positive net working capital of £2.5m. The sale of 26 Courtyard realised cash of £195K which added to the liquidity position of the Group. The 2021/22 results include a £17k gain on disposal.

Going into 2021/22, we have continued to focus on the recruitment and retention to lower dependency on agency, full review of loss-making services across the group and increased scrutiny around void levels. These measures coupled with the targeted growth across the Group will continue to build a sustainable future. The increased scrutiny around monthly financial results and the continuous funding support due to covid19 have resulted in a surplus position for 2021/22.

As part of the going concern assessment, we have considered the ongoing financial impact of coronavirus in terms of operating performance and cashflow. We believe the funding support from Government coupled with the measures taken by the organisation in response to the coronavirus pandemic mean that the negative financial impact of the virus is mitigated and at this time does not represent a financial or going concern risk.

We recognised early on that regular testing was required, not only to ensure our operational teams were not spreading the virus but also enable us to manage any outbreaks. We continued to request weekly testing of all staff ahead of the Government advice where such facilities were available. In addition to the use of PPE and deep cleans as required, the level of cleaning has increased, and visitors stopped as per government guidelines. Staff movement is being minimised and steps were taken to ensure that the same staff work with each other where possible. This combined with our relatively small individual services means that we can work to reduce the spread and mitigate the impact of the virus across the organisation. We have sufficient contingency funds in place to cover existing coronavirus related voids for the full year and staff sickness is still being paid for by the Infection Prevention Grant. Should there be another wave we believe we are well placed to deal with it and minimise the overall impact on the Group and as a result the financial position of the Group.

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. With this in mind, whilst there are significant challenges within the sector, particularly around recruitment of staff, Avenues is well placed for the future.

The Group has an overdraft facility of £1.5m. There is a longstanding and positive relationship with Barclays and although this facility could be withdrawn at any time, this risk does not pose any serious threat or concern.

c) Group financial statements

The financial statements consolidate the results of the charity and its subsidiaries on a line by line basis. Control is determined when the charity controls over 50% of the voting rights, or has the ability to appoint or remove a majority of board members. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because Avenues has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

The result of all subsidiaries cover a full 12 month period up to 31 March 2022.

d) Income

Income is recognised when the group has entitlement to the funds, any performance related conditions attached to the item(s) of income has been met, it is probable that the income will be received and the amount can be measured reliably.
Income from government and other grants, whether 'capital' (except capital grants relating to social housing properties – see policy (e)) or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance related conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

Income received in advance of a service is deferred until the criteria for income recognition are met (Note 12). Income is measured at the fair value of the consideration receivable.
Legacy income is recognised at the earlier of the charity being notified of a distribution or the receipt of a legacy, or when the receipt of the legacy is determined to be measurable and probable.

e) Capital grants in respect of social housing properties

All Social Housing Capital grants are recognised under the accrual model. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised under creditors after more than one year separately as capital grant and not deducted from the carrying amount of the asset.

f) Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off the assets over their estimated useful lives;

Tablets, laptops and computers	33% per annum on cost
Office equipment	15-25% per annum on cost
Furniture and equipment	15-25% per annum on cost
Furniture and equipment (River House)	10% per annum on cost
Specialist equipment	15% per annum on cost
Motor vehicles	25% per annum on cost
Freehold Land	0%
Freehold Buildings and offices	2% per annum on cost
Leasehold properties	Over the term of the lease

Depreciation of an asset commences from the point the asset is brought into use.
The groups' policy is to capitalise all assets over £500.
Asset values and consideration of any impairments needed are reviewed on an annual basis.

Barclays Bank Plc holds a charge over the group as security for the Groups' overdraft.

g) Intangible assets and amortisation
Intangible assets are stated at cost less accumulated amortisation. Amortisation is provided at the following annual rates in order to write off the assets over their estimated useful lives:

Software	20% per annum on cost

h) Employee benefits policy
The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle obligation for termination of benefits is recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

i) Pension costs
The Avenues Trust Group has employees enrolled in The Social Housing Pension Scheme (SHPS) defined contribution scheme (also referred to as 'Pensions Trust') which is an ongoing scheme. The contributions paid to this scheme by the group are charged to the Statement of Financial Activities as they fall due.

The Avenues Trust Group also participates in an unfunded pension scheme operated by the National Health Service. The contributions to this scheme, as advised by the scheme administrator, are charged to the Statement of Financial Activities as they fall due.

The group also contributes to the defined benefit Social Housing Pension Scheme (closed to future accrual). Contributions are charged to the Statement of Financial Activities in the period to which they relate. As at 31 March 2020 the schemes actuaries provided each employers organisation with its defined benefit liability together with comparative information as at 31 March 2019. The scheme treated as a defined benefit scheme in accordance with FRS102.

The Avenues Trust Group previously has employees who were members of the Kent County Council defined benefit pension scheme. The assets of the scheme are held separately from those of the group. Avenues South East officially withdrew from the scheme on 1 April 2015 and as such no further contributions are being made. The withdrawal from the scheme resulted in the crystallisation of a liability of £231k. It was agreed to pay this over a period of seven years, attracting interest of £23k. This cost is being recognised in the statement of financial activities evenly over a seven year period.

The pension schemes are disclosed in Note 16.

j) Operating leases
Operating lease rental costs are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the period of the lease.

k) Resources expended and the basis of apportioned costs
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. VAT which cannot be recovered is included as part of the expenditure to which it relates. A liability is recognised once a legal or constructive obligation has been entered into by the group.

l) Allocation of support costs
Support costs are those functions that assist the work of Avenues but does not directly undertake charitable activities. Support costs include back office costs, finance, human resources, payroll, IT and governance costs which supports Avenues charitable activities.

m) Fund accounting
Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.
Restricted funds are subject to specific restrictions imposed by donors. These funds are accounted for separately and are only available to be used in line with donor's requirements.

n) Taxation
The company is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

o) Debtors
Trade debtors and other income are recognised at the settlement amount due after trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts.

p) Cash and cash equivalents
Cash and cash equivalents includes cash at bank and in hand and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

q) Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial Instruments
The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

s) Management estimates and judgements
In the process of applying its accounting policies, The Avenues Trust Group is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and

expenses recognised during the reporting periods presented. There are no significant judgements or estimates made. The assumptions applied to the pension have the potential to materially impact the pension liability position and therefore have been reviewed with the Groups pension advisors and management consider they are reasonable. Upon acquisition of Avenues South the properties were revalued and held at Fair Value in the Group accounts and, as at March 2020, were assessed for impairment and as result an adjustment was made to ensure they are carried at an appropriate value. The properties are reviewed annually for indications of impairment, no adjustment to the carrying value of the properties is considered necessary at 31 March 2022.

2) Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries (note 17)

The summary performance of the charity alone is:	**2022 £000s**	**2021 £000s**
Income from donations and Legacies	115	26
Income from other subsidiaries	-	-
	115	26
Expenditure on charitable activities	(141)	(39)
Net (Expenditure)	**(26)**	**(13)**
Total funds brought forward	(113)	(100)
Total funds carried forward	(139)	(113)
Represented by:		
Restricted income funds	917	906
Unrestricted income funds	(1,056)	(1,019)
Total	(139)	(113)

3) Income

	2022 £000s	**2021 £000s**
Donations and Legacies		
Other Donations	20	9
	20	**9**
Other trading income		
Contribution towards training costs	15	13
Other Income	100	12
	115	**25**

Income from Donations was £20k (2021: £9k), of which £1k (2021: £9k) was unrestricted and £19k (2021: (nil) restricted.
Income from Charitable activities was £45,715k (2021: £44,499k) all of which was unrestricted in both years.

Covid Support Grant received £1,247k (2021; £2,517k) of which £1,072k (2021: £1,087k) was restricted.

4) Expenditure

	Direct Costs £000s	Support Costs £000s	2022 Total £000s	2021 Total £000s
Charitable Activities				
Provision of care and housing services	8,988	1,338	10,326	11,947
Provision of care to young people	1,077	123	1,200	1,434
Services to Adults	28,770	3,544	32,314	30,432
Services to Older People	1,599	192	1,791	1,713
2022 Totals	**40,434**	**5,197**	**45,631**	
2021 Totals	**40,635**	**4,891**		**45,526**

Expenditure on charitable activities was £45,647k (2021; £45,492k) all of which was attributed to unrestricted funds. This balance does not include pension re-measurement adjustments of a gain £582k (2021: loss £1,517k) and gain on sales of assets £17k (2021: loss 34k).

Analysis of governance and support costs

The Avenues Trust Group initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken (see above) in the year. Support costs are allocated on a blended percentage rate which takes into account the key drivers of central costs including staff costs, FTE, number of locations, number of people supported and vacancy rates.

	General support £000s	Governance function £000s	Total £000s
EMT and Governance	1,069	95	1,164
Group Finance	1,521	-	1,521
Group Human Resources	1,197	-	1,197
Group Office Management	789	-	789
Group Practice Development and Assurance	441	-	441
Total	**5,017**	**95**	**5,112**

5) Net income for the year is stated after charging:

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	568	526
Amortisation	43	30
External Audit	84	73
Internal Audit	8	10
Operating lease charges for motor vehicles and equipment	107	80
Operating lease charges for land and buildings	1,303	998
Interest paid	21	58
Loss(Gain) on disposal of assets	17	(34)

6) Trustees' remuneration

The trustees are the directors of the company. During the year 4 (2021: 1) member(s) of the Board have been reimbursed for travelling expenses £3k (2021: £50).

J Land, Chief Executive, is also a Trustee of Avenues Trust Group. During the 2021/22 financial year she received £148k (2021: £147k) in remuneration including £12k of pension contributions (2021: £12k) from The Avenues Trust Group in respect of her role as Chief Executive. No remuneration or pension contributions were paid in relation to her role as a trustee.

N Ford, Group Director of Finance, is also a Trustee of Avenues Trust Group. During the 2021/22 financial year she received £110k (2021: £110k) in remuneration including £8k of pension contributions (2021: £9k) from The Avenues Trust Group in respect of her role as Group Finance Director. No remuneration or pension contributions were paid in relation to her role as a trustee.

The Directors of the Charity are remunerated by the Avenues Trust Group only to the extent permitted by the Charity's Articles of Association. A further payment was made in the year of £0.5k (2021: £0.5k) which is a collective premium to cover Trustees Liability.

No other Trustees received remuneration or pension contributions in the current or preceding period.

7) Staff costs and key management personnel

The number of employees whose emoluments exceeded £60k were:

	2022 No.	2021 No.
£60k - £70k	4	4
£70k - £80k	-	-
£80k - £90k	5	5
£110k - £120k	1	1
£120k - £130k	-	-
£160k - £170k	-	-

The 2021 employee numbers have been restated to exclude pension and employer NI.

The average total number of staff employed by the group as well as the full time equivalents are as follows:

	No. 2022	No. 2021	FTE 2022	FTE 2021
Office staff	154	149	144	138
Care staff	719	737	724	743
Part-time support staff	444	453	364	371
Bank contract staff	627	654	-	-
	1,944	**1,993**	**1,232**	**1,252**

The difference between the total number of staff and the FTEs is due to a number of staff being employed on "Bank" contracts, whereby they have an employment contract with Avenues but work irregular shifts as and when they are needed and are not included within FTE's.

Staff costs - Group	**2022 £'000**	**2021 £'000**
Wages and salaries	33,514	30,748
Social security costs	2,617	2,505
Pension costs (Per Note 16)	921	950
Agency staff costs	1,236	2,991
	38,288	**37,194**

The key management personnel of the Group comprise the trustees including; the Group Chief Executive, Group Director of Operations, Group Director of Finance, Group Director of People and Organisational Development, Group Director of Business Development, and Group Director of Housing and Development. The total employee benefits of the key management personnel were as follows:

	2022 £'000	**2021 £'000**
Wages and salaries	607	549
Social security costs	80	72
Pension costs	53	44
	740	**665**

The exemption available for parent companies under FRS102 has been taken, therefore Charity only figures for key management personnel remuneration have not been disclosed.

8) Tangible fixed assets – Group

	Freehold Housing Properties	Freehold Offices	Long leasehold properties	Furniture and Equipment	Motor Vehicles	Office Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2021 as previously stated	8,595	-	1,414	4,049	59	166	**14,283**
Adjustment (see below)	-	-	-	(435)	-	-	**(435)**
	8,595	-	1,414	3,614	59	166	13,848
Additions	890	-	189	362	-	-	**1,441**
Disposals	-	-	(218)	(114)	(30)	-	**(362)**
At 31 MARCH 2022	9,485	-	1,385	3,862	29	166	14,927
Depreciation							
At 1 April 2021 as previously stated	709	-	6	3,256	59	163	**4,193**
Adjustment (see below)	-	-	-	(435)	-	-	**(435)**
	709	-	6	2,821	59	163	3,758
Charge for year	107	-	14	296	-	3	**420**
Charge for year - grant (Note 12)	148	-	-	-	-	-	**148**
Disposals	-	-	(20)	(106)	(30)	-	**(156)**
At 31 MARCH 2022	964	-	-	3,010	29	166	4,170
Net book value							
At 31 MARCH 2022	**8,521**	-	**1,385**	**852**	-	-	**10,757**
At 31 March 2021	7,886	-	1,408	793	-	3	10,090

The opening balance has been restated to accommodate the net book value of furniture and equipment in freehold offices that were disposed of but not fully written down in 2019/20.

8) Tangible fixed assets – Charity

	Furniture and Equipment £'000	Total £'000
Cost		
At 1 April 2021	1,012	**1,012**
Additions	176	**176**
At 31 MARCH 2022	**1,188**	**1,188**
Depreciation		
At 1 April 2021	865	**865**
Charge for the year	87	**87**
At 31 MARCH 2022	**952**	**952**
Net book value		
At 31 MARCH 2022	**236**	**236**
At 31 March 2021	147	147

NHS Charge

The NBV of some of the Housing properties above are subject to an NHS charge.
The NHS transferred the freehold of 23 properties to Avenues South in 1995 resulting in a legal charge against them; which is registered at the land registry on the freeholds. Consequently, should Avenues South choose to use the properties other than for care services, or sell the properties, Avenues South will have to pay back the current market value (or sale proceeds) to the NHS.

There is an offsetting capital grant creditor of £4,434k (2021 £4,598k). (See note 12).

Long Leasehold

All long leasehold properties have remaining leases of between 83 and 115 years.

9) Intangible assets – Group and Charity

	People Planner	Digitalisation Project	Website	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2021	90	72	24	186
Additions	-	88	-	88
Disposal	-	-	(24)	(24)
At 31 MARCH 2022	**90**	**160**	**-**	**250**
Amortisation				
At 1 April 2021	77	14	24	115
Charge for year	13	30	-	43
Disposal	-	-	(24)	(24)
At 31 MARCH 2022	**90**	**44**	**-**	**134**
Net book value				
At 31 MARCH 2022	**0**	**116**	**-**	**116**
At 31 March 2021	13	58	-	71

10) Investments in subsidiary undertakings

The group holds an investment in Welmede Housing Association of £6 (2021: £6) which is equivalent to the entire share capital of the subsidiary.
A new entity has been formed, Avenues Management Services Limited with a share capital of £1 and the group owns the entire share of the subsidiary.

11) Debtors

	Charity		Group	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Contract fees receivable	-	-	3,003	2,182
Other debtors	332	229	383	941
Prepayments and accrued income	281	344	1,067	1,151
Amounts due from subsidiary undertakings	1,030	-	-	-
	1,643	**573**	**4,453**	**4,274**

Included within Other Debtors are amounts totalling £160k (2021: £160k) relating to a rental deposit falling due after more than one year.

12) Creditors

	Charity		Group	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank overdraft	-	175	-	175
Trade creditors	-	9	438	406
KCC Pension creditor	-	-	-	33
Other taxation and social security	227	231	1,203	876
Other creditors	34	148	256	1,198
Deferred income	-	-	853	1,064
Accrued expenditure	112	145	1,552	938
Intercompany	3,311	1,195	-	-
Loan falling due within one year	-	-	17	-
	3,684	**1,903**	**4,319**	**4,690**

Movements in deferred income:	£'000	£'000
Deferred income at the beginning of the year	1,064	978
Income recognised in the year	(1,064)	(978)
Income deferred in the current year	853	1,064
Income deferred at the year end	**853**	**1,064**

Deferred income comprises contract fee income which relates to services that will be provided in future periods, and grants and donations where milestones and conditions for recognition are expected to be met in future periods.

Long term creditors are repayable as follows:	2022 £'000	2021 £'000
Due within one year	-	33
Between two and five years	-	-
Total amount due	**-**	**33**
Less: due within one year	-	(33)
Amount due after one year	**-**	**-**

12) Creditors (continued)

Creditors falling dues in more than one year
Capital grants

	2022	2021
Capital Grant	**£'000**	**£'000**
Capital Grant at 1 April	(4,598)	(4,730)
Grant Charge adjustment	16	-
Additional Grant		(15)
Grant release current year	148	147
Capital Grant at 31 March	**(4,434)**	**(4,598)**
Bank Loan		
Due within 2 -5 years	(68)	-
Due over 5 years	(185)	-
Total Bank Loan	**(253)**	**-**
Total Long term Creditors	**(4,687)**	**(4,598)**

A capital grant was received to purchase NHS properties in 1995. No further capital grants were received during the year.
The grants are amortised over the same period over which the housing properties are depreciated.

The bank loan relates to the purchase of 6 Colman Stairs and the loan is secure to the property.

13) Statement of Funds

Group:	2021 As previously Stated	Income	Expenditure	Transfers	FRS 102 Pension Adj	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General reserve	6,306	45,928	(44,559)	(298)	-	**7,377**
Pension reserve	(2,294)	-	-	314	582	**(1,398)**
Restricted funds:						
Active Communities Fund	11	-	-	-	-	**11**
Big Lottery	12	-	-	-	-	**12**
Community Futures other restricted funds	218	-	-	(42)	-	**176**
Dementia Services	2	-	-	(2)	-	**0**
Disability Focus Day	11	-	-	-	-	**11**
Disability Sports Project	23	-	-	(1)	-	**22**
Employment Service	10	-	-	5	-	**15**
Leisure activities in Avenues East	35	-	-	3	-	**38**
Hope House holiday Fund	-	-	-	4	-	**4**
Partnership Working	9	-	-	-	-	**9**
Disability Forum for Suffolk	-	-	-	4	-	**4**
Teaming Up	63	-	-	(1)	-	**62**
Garden Fund	5	-	-	5	-	**10**
Brighton road	730	-	-	-	-	**730**
Copse Hill	92	-	-	-	-	**92**
Other restricted projects	75	-	-	2	-	**77**
CSU Donations	-	9	-	7	-	**16**
Furniture Fund - Squirrel Lodge	-	10	-	-	-	**10**
Covid19 Support Grant	-	1,072	(1,072)	-	-	**-**
	1,296	**1,091**	**(1,072)**	**(15)**	**-**	**1,300**
Total funds	**5,308**	**47,019**	**(45,631)**	**-**	**582**	**7,278**

Previous year balances	2020	Income	Expenditure	Transfers	FRS 102 Pension Adj	2021
Unrestricted funds:	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	5,421	45,631	(44,439)	(307)	-	6,306
Pension reserve	(1,084)	-	-	307	(1,517)	(2,294)
Restricted funds:						
Active Communities Fund	11	-	-	-	-	11
Big Lottery	12	-	-	-	-	12
Community Futures other restricted funds	218	-	-	-	-	218
Dementia Services	2	-	-	-	-	2
Disability Focus Day	11	-	-	-	-	11
Disability Sports Project	23	-	-	-	-	23
Employment Service	10	-	-	-	-	10
Leisure activities in Avenues East	35	-	-	-	-	35
Partnership Working	9	-	-	-	-	9
Teaming Up	63	-	-	-	-	63
Garden Fund	5	-	-	-	-	5
Brighton road	730	-	-	-	-	730
Copse Hill	92	-	-	-	-	92
Other restricted projects	75	-	-	-	-	75
Covid19 Support Grant	-	1,087	(1,087)	-	-	-
	1,296	**1,087**	**(1,087)**	**-**	**-**	**1,296**
Total funds	**5,633**	**46,718**	**(45,526)**	**-**	**(1,517)**	**5,308**

Funds balances have been transferred to show the actual balance of each fund type.

13) Statement of funds (continued)

The main funds are as follows:
The general reserve represents the unrestricted, designated and restricted funds of the group.
The Pension reserve represents the deficit on the defined benefit pension schemes as calculated using FRS102 methodology. The restricted funds are monies received from funders for the specific projects/purposes described above.
The restricted fund of the parent charitable company is represented by the Active Communities Fund.

1 The Active Communities Fund has been generated through a number of events and donations to support activities in the community.
2 The Big Lottery fund is restricted to supporting disabled people during the transitional period of their lives enabling them to access volunteer and work experience opportunities within their local community.
3 The Community Futures other restricted funds is a grouping of smaller grants for the provision of support for community opportunities and activities.
4 The Dementia services restricted fund relates to the remaining balance of a grant from the London Borough of Sutton to fund equipment in a library for people with dementia.
5 Disability Focus Day fund is restricted to supporting the costs of organising a forum for representatives from disability and statutory organisations across Suffolk.
6 Disability Sports Project. The funds is to provide sport and physical activities for young people and adults with disabilities.
7 The Employment Service Fund is restricted to helping young people to gain work experience or volunteering enabling them to gain valuable life skills
8 The Leisure funds are restricted to the various leisure activities provides by Avenues East particularly swimming sessions.
9 The Hope House Holiday fund represents a fund raised towards the provision of an annual holiday for the residents.
10 The Partnership Working fund is restricted to supporting initiatives for user involvement in multi-agency working to promote the inclusion of disabled people.
11 Disability Forum for Suffolk fund is for work relating to representing and consulting with disabled people in Suffolk, as well as for organising events to bring disabled people in Suffolk together.
12 The Teaming Up fund is restricted to various Teaming Up activities provided by Avenues East.
13 The Garden Fund provided by Santander is for the renovation of a Garden at Wilson Avenue.
14 Brighton road. This fund is a specific legacy settled on this service. The fund is to be applied to the service and cover all support and running costs
15 Copse Hill; this fund is a specific legacy to this service. The fund is to be used by the service to cover some support and running costs
16 Other restricted grants are comprised of a number of individually immaterial funds.
17 CSU Donations is community support donation restricted to helping disabled people to take part in social activities, for examples games and pub quiz.
18 Furniture Fund - Squirrel Lodge to use for furniture and fitting at Squirrel Lodge
19 Covid19 Support Grant specific to cover support cost that is linked to covid safety

13) Statement of funds (continued)

Parent Charity :	1 April 2021	Fund Transfer	Income	Expenditure	31 March 2022
	£'000		£'000	£'000	£'000
General reserve	(1,019)	(11)	115	(141)	**(1,056)**
Restricted funds					
Active Communities funds	11		-	-	**11**
Community Futures other restricted funds	32		-	-	**32**
Brighton Road	730		-	-	**730**
Other projects	133	11	-	-	**144**
	906	**11**	**-**	**-**	**917**
Total funds	**(113)**	**-**	**115**	**(141)**	**(139)**

Parent Charity :	1 April 2020	Income	Expenditure	31 March 2021
	£'000	£'000	£'000	£'000
General reserve	(1,006)	26	(39)	**(1,019)**
Restricted funds				
Active Communities funds	11	-	-	**11**
Community Futures other restricted funds	32	-	-	**32**
Brighton Road	730	-	-	**730**
Other projects	133	-	-	**133**
	906	-	-	**906**
	(100)	**26**	**(39)**	**(113)**

Negative reserve in both years, if there continue to be more negative reserve in 2022/23, intra-group debt equalisation will be considered.

14) Analysis of net assets between funds

GROUP	Restricted Funds	Unrestricted Funds	2022 Total
Fund balances at 31 March 2022 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	10,758	10,758
Intangible assets	-	116	116
Current assets	1,299	5,510	6,809
Current liabilities	-	(4,319)	(4,319)
Long term liabilities	-	(4,687)	(4,687)
TOTAL FUNDS BEFORE PENSION LIABILITY	**1,299**	**7,377**	**8,676**
Pension scheme liability	-	(1,398)	(1,398)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**1,299**	**5,979**	**7,278**

14) Analysis of net assets between funds (continued)

Analysis of group net assets between funds - previous year			
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	-	10,090	10,090
Intangible assets	-	71	71
Current assets	1,296	5,433	6,729
Current liabilities	-	(4,690)	(4,690)
Long term liabilities	-	(4,598)	(4,598)
TOTAL FUNDS BEFORE PENSION LIABILITY	**1,296**	**6,306**	**7,602**
Pension scheme liability	-	(2,294)	(2,294)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**1,296**	**4,012**	**5,308**

Analysis of parent charity net assets between funds

	Restricted Funds	Unrestricted Funds	Total
Fund balances at 31 March 2022 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	236	236
Intangible assets	-	116	116
Current assets	917	2,276	3,193
Current liabilities	-	(3,684)	(3,684)
TOTAL FUNDS	**917**	**(1,056)**	**(139)**
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	-	147	147
Intangible assets	-	71	71
Current assets	906	666	1,572
Current liabilities	-	(1,903)	(1,903)
TOTAL FUNDS	**906**	**(1,019)**	**(113)**

15) Operating leases

The total minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	664	998
Between two and five years	1,356	1,288
Beyond five years	487	671
	2,507	**2,957**

Vehicles & equipments	**2022**	**2021**
Amounts due:	**£'000**	**£'000**
Within one year	49	80
Between two and five years	10	59
	59	**139**

Parent only	**2022**	**2021**
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	-	225
Between two and five years	-	-
	-	**225**

16) Pension obligations

The Avenues Trust Group has contributed to both defined benefit and defined contribution schemes during the year and defined benefit schemes are accounted for as if they were defined contribution schemes if required by FRS 102 Section 28 'Employee benefits'. The total cost to the group for the year ended 31 March 2022 in respect of pension contributions, which have been allocated between resources expended categories in proportion to staff costs and charged to the Consolidated Statement of Financial Activities as appropriate, are as follows;

	2022	2021	**2022**	2021
	£'000	£'000	**No.**	No.
Pensions Trust SHPS	896	925	1,217	1,260
NHS Pension	20	20	8	8
Pensions Trust - The Growth Plan	5	5	7	7
Per Note 7	921	950	1,232	1,275

There are three main schemes remaining with the majority of staff contributing to the defined contribution scheme with The Pensions Trust. This is the Social Housing Pension Scheme (SHPS). In addition there is a closed scheme, also within the SHPS and administered by The Pension Trust. The last scheme is the NHS Pension with details shown below.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

National Health Service (closed Scheme)

The NHS operates an unfunded defined benefit scheme for the nursing sector, in which The Avenues Trust Group participates. The Avenues Trust Group is granted permission by the Secretary of State to be able to contribute to the cost of the scheme as a 'Directed Employer' (an employer that can continue to have non NHS employed staff as members of the NHS pension scheme).

16) Pension obligations (continued)

The cost represents the contributions advised by the NHS Pensions Agency. The Avenues Trust Group is not liable for past service costs beyond these contributions. Contributions increased to 14% from 1 April 2005.

The Pensions Trust - The Social Housing Pension Scheme

The Social Housing Pension (SHPS) auto enrolment defined contribution scheme (also referred to as 'Pensions Trust') is an ongoing scheme. The contributions paid to this scheme by the group are charged to the Statement of Financial Activities as they fall due. This scheme also includes a defined benefit obligation although all employees have been transferred to the defined contribution scheme.

The Pensions Trust - The Growth Plan (closed scheme)

The group participates in the SHPS scheme, a multi-employer scheme which provides benefits to employees of some 900 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the group is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2022 to 31 January 2025	£3,312,000 per annum (payable monthly)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017: this valuation showed assets of £794.9m, liabilities of £926m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked participating employers to pay additional contributions to the scheme as follows:

16) Pension obligations (continued)

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

PRESENT VALUES OF PROVISION	2022 £'000	2021 £'000
Present value of provision - Avenues East	12	45
Total group provision	**12**	**45**

Avenues South East and Avenues South SHPS Pensions schemes are administered by TPT however the obligations for these schemes are now shown later in Note 16

Reconciliation of opening and closing provisions

	2022 £'000	2021 £'000
Provision at start of period	45	54
Unwinding of the discount factor (interest expense)	-	1
Deficit contribution paid	(11)	(12)
Remeasurements:		
- impact of any change in assumptions	-	2
- amendments to the contribution schedule	(22)	-
Provision at end of period	12	45

Income and expenditure impact

	£'000	£'000
Interest expense	-	1
Remeasurements:		
– impact of any change in assumptions	(22)	2

ASSUMPTIONS

	2022	2021	2020
	% per annum	% per annum	% per annum
Rate of discount The Pensions Trust - Growth Plan	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Avenues East is the only member of the Group that has employees in this closed scheme.

16) Pension obligations (continued)

The Pensions Trust - Social Housing Pension Scheme

Avenues Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset (Liability)

	31 March 2022	31 March 2021
	£'000	£'000
Fair Value of plan assets	9,824	9,085
Present value of defined benefit obligation	11,210	11,334
Surplus (deficit) in plan	-1,386	-2,249
Defined Benefit asset (liability) to be recognised	-1,386	-2,249

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31st March 2022
	£'000
Defined benefit obligation at start of period	11,334
Expenses	9
Interest expense	246
Actuarial losses (gains) due to scheme experience	844
Actuarial losses (gains) due to changes in demographic assumptions	(172)
Actuarial losses (gains) due to changes in financial assumptions	(882)
Benefits paid and expenses	(169)
Losses (gains) due to benefit changes	-
Defined benefit obligation at end of period	**11,210**

16) Pension obligations (continued)

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	Period ended 31st March 2022
	£'000's
Fair value of plan assets at start of period	9,085
Interest income	201
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	372
Contributions by the employer	335
Benefits paid and expenses	(169)
Fair value of plan assets at end of period	**9,824**

Defined Benefit Costs Recognised In Statement of Financial Activities (SOFA)

	Period ended 31st March 2022
	£'000's
Current service cost	-
Expenses	9
Net interest expense	45
comprehensive income (SoCI)	**54**

Defined Benefit Costs Recognised In net movement in funds

	Period ended 31st March 2022
	£'000's
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	372
Experience gains and losses arising on the plan liabilities - gain (loss)	(844)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	172
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	882
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	582
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	**582**

16) Pension obligations (continued)

Assets	**31-Mar-22 £'000**	**31-Mar-21 £'000**
Global Equity	1,885	1,448
Absolute Return	394	502
Distressed Opportunities	351	262
Credit Relative Value	326	286
Alternative Risk Premia	324	342
Fund of Hedge Funds	-	1
Emerging Markets Debt	285	366
Risk Sharing	323	331
Insurance-Linked Securities	229	219
Property	266	189
Infrastructure	700	606
Private Debt	252	217
Opportunistic Illiquid Credit	330	231
High Yield	84	272
Opportunistic Credit	35	249
Cash	33	-
Corporate Bond Fund	656	537
Liquid Credit	-	108
Long Lease Property	253	178
Secured Income	366	377
Currency Hedging	(38)	-
Index Linked All Stock Gilts	-	-
Liability Driven Investment	2,742	2,309
Net Current Assets	28	55
Total assets	**9,824**	**9,085**

Key Assumptions	**31-Mar-22 % per annum**	**31-Mar-21 % per annum**
Discount Rate	2.8	2.2
Inflation (RPI)	3.6	3.3
Inflation (CPI)	3.2	2.9
Salary Growth	4.2	3.9
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

17) Active subsidiary undertakings

The Avenues Trust Group control Avenues South East (company number 03923486; charity number: 1079576), Avenues London (company number 06858705; charity number: 1130445), and Avenues East (company number 03326442, charity number: 1061241). All four companies are limited by guarantee and registered in England.

The Avenues Trust Group also holds 100% control of Avenues South formerly Welmede Housing Association Limited (company number R26230), a Charitable Housing Association incorporated under the Co-Operative and Community Benefit Societies Act 2014 and registered with the Registry of Friendly Societies which is administered by the Financial Conduct Authority in England.

All charities are controlled by Avenues Trust Group who have the ability to appoint and remove all members of each subsidiary Board of Trustees.

All charities' registered address is River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA.
All activities have been consolidated on a line by line basis in the Consolidated Statement of Financial Activities. A summary of the results of the subsidiaries is shown below.

	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	17,419	12,401	6,565	10,519	115	**47,019**	46,717
Expenditure	(16,305)	(12,467)	(6,426)	(10,291)	(142)	**(45,632)**	(45,525)
Surplus/(deficit) on ordinary activities excluding debt equalisation	**1,114**	**(66)**	**139**	**228**	**(27)**	**1,387**	**1,192**

The aggregate of the assets, liabilities and funds as at 31 March 2022 was :	Avenues South East	Avenues London	Avenues East	Parent	Avenues South	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets	4,568	2,481	898	3,545	10,219	21,711
Liabilities	(2,125)	(2,239)	(486)	(3,684)	(7,242)	(15,776)
Total funds	**2,443**	**242**	**412**	**(139)**	**2,977**	**5,935**

The aggregate of the assets, liabilities and funds as at 31 March 2021 was :	Avenues South East	Avenues London	Avenues East	Parent	Welmede	Total
	£'000	£'000	£'000	£'001	£'000	£'000
Assets	3,218	1,277	723	1,790	9,551	16,559
Liabilities	(1,838)	(969)	(450)	(1,903)	(7,688)	(12,848)
Total funds	**1,380**	**308**	**273**	**(113)**	**1,863**	**3,711**

18) Related party transactions

The Avenues Trust Group provides central support for each of its subsidiaries. The Group makes a charge for these central costs based on a blended ratio of group costs. In addition, The Avenues Trust Group acts as the central banker for the group, paying salary costs and creditors and receiving cash from customers.

	2022	2021
PARENT	**£'000**	**£'000**
Balance owed at 1 April	(1,224)	(277)
Payroll services provided to subsidiary companies	28,708	27,586
Receipts taken on behalf of group companies	(38,322)	(37,811)
Payments made on behalf of group companies	9,486	8,859
Intercompany transfer from Welmede	(5,946)	(4,385)
Recharges of head office costs	5,017	4,804
Balance due at 31 March	**(2,281)**	**(1,224)**